

ACM, INC

Access Billing
ILEC's / CLEC's
Meet Point Billing
Switched Access
Special Access
Other Billings Arrangements

Cost Consulting
Separations
Allocations
Accounting
Depreciation
Special Studies

Management Consulting
Regulatory Issues
Earnings Analysis
Tax Planning
Other Customized Solutions

October 11, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

**Re: WC Docket Nos. 10-90 and 11-42
2013 FCC Form 481 Annual Report
Study Area Code: 150112**

Dear Secretary Dortch:

On behalf of Ontario Telephone Company, Inc., ACM, Inc., as the company's authorized representative, files the enclosed FCC Form 481 Carrier Annual Reporting Data Collection Form, as required by 47 C.F.R. § 54.313 and 54.422.

The FCC Form 481 has been submitted to USAC via its e-file system and copies of that submission are being provided to the FCC and state commission.

Please contact David Waters at (518) 374-2552 if you have any questions regarding this filing.

Respectfully Submitted,



David Waters
ACM, Inc.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

| | |
|---|------------------------------|
| <010> Study Area Code | 150112 |
| <015> Study Area Name | ONTARIO TEL CO, INC. |
| <020> Program Year | 2014 |
| <030> Contact Name: Person USAC should contact with questions about this data | Dave Waters |
| <035> Contact Telephone Number: Number of the person identified in data line <030> | 518-374-2552 |
| <039> Contact Email Address: Email of the person identified in data line <030> | davew@acm-costconsulting.com |

| ANNUAL REPORTING FOR ALL CARRIERS | | 54.313 Completion Required | 54.422 Completion Required |
|---|---|-------------------------------------|-------------------------------------|
| (check box when complete) | | | |
| <100> Service Quality Improvement Reporting | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <200> Outage Reporting (voice) | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <210> <input type="checkbox"/> <-- check box if no outages to report | | | |
| <300> Unfulfilled Service Requests (voice) | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <310> Detail on Attempts (voice) | (attach descriptive document) | <input type="checkbox"/> | <input type="checkbox"/> |
| <320> Unfulfilled Service Requests (broadband) | | <input type="checkbox"/> | <input type="checkbox"/> |
| <330> Detail on Attempts (broadband) | (attach descriptive document) | <input type="checkbox"/> | <input type="checkbox"/> |
| <400> Number of Complaints per 1,000 customers (voice) | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <410> Fixed | 0.0 | | |
| <420> Mobile | 0.0 | | |
| <430> Number of Complaints per 1,000 customers (broadband) | | <input type="checkbox"/> | <input type="checkbox"/> |
| <440> Fixed | | | |
| <450> Mobile | | | |
| <500> Service Quality Standards & Consumer Protection Rules Compliance | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <510> 150112ny510 | (attached descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <600> Functionality in Emergency Situations | (check to indicate certification) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <610> 150112ny610 | (attached descriptive document) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <700> Company Price Offerings (voice) | (complete attached worksheet) | <input type="checkbox"/> | <input type="checkbox"/> |
| <710> Company Price Offerings (broadband) | (complete attached worksheet) | <input type="checkbox"/> | <input type="checkbox"/> |
| <800> Operating Companies and Affiliates | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> | (if yes, complete attached worksheet) | <input type="checkbox"/> | <input type="checkbox"/> |
| <1000> Voice Services Rate Comparability | (check to indicate certification) | <input type="checkbox"/> | <input type="checkbox"/> |
| <1010> <input type="checkbox"/> | (attach descriptive document) | <input type="checkbox"/> | <input type="checkbox"/> |
| <1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> | (if not, check to indicate certification) | <input type="checkbox"/> | <input type="checkbox"/> |
| <1110> | (complete attached worksheet) | <input type="checkbox"/> | <input type="checkbox"/> |
| <1200> Terms and Condition for Lifeline Customers | (complete attached worksheet) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

| | | | |
|--------|-----------------------------------|--------------------------|--------------------------|
| <2000> | (check to indicate certification) | <input type="checkbox"/> | <input type="checkbox"/> |
| <2005> | (complete attached worksheet) | <input type="checkbox"/> | <input type="checkbox"/> |

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

| | | | |
|--------|-----------------------------------|-------------------------------------|--------------------------|
| <3000> | (check to indicate certification) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <3005> | (complete attached worksheet) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|--|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |
| <110> | Has your company received its ETC certification from the FCC? | (yes / no) <input type="radio"/> <input checked="" type="radio"/> |
| | If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 | |
| <111> | year plan" filed with the FCC? | (yes / no) <input type="radio"/> <input type="radio"/> |

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

 Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

| | |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

-- See attached worksheet --

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
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| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

| | |
|----------|--|
| 1/1/2013 | |
|----------|--|

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FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|---------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |
| <810> | Reporting Carrier | Ontario Telephone Company, Inc. |
| <811> | Holding Company | |
| <812> | Operating Company | Ontario Telephone Company, Inc. |

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

| Select (Yes,No, NA) |
|---------------------------|
| |
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**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

Please check this box to confirm no terrestrial backhaul
 <1120> options exist within the supported area pursuant to § 54.313(G)

☐

Please check this box to confirm the reporting carrier offers
 <1130> broadband service of at least 1 Mbps downstream and 256 kbps
 upstream within the supported area pursuant to § 54.313(G)

☐

(1200) Terms and Condition for Lifeline Customers**Lifeline****Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 150112ny1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP

“Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

☐
☐
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

☐
☐
☐
☐

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|------------------------------|
| <010> | Study Area Code | 150112 |
| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

| | | | |
|--------|---|--|--|
| (3010) | Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. | Name of Attached Document Listing Required Information | <input type="checkbox"/> |
| (3012) | Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} | Name of Attached Document Listing Required Information | <input checked="" type="checkbox"/> (Yes/No) |
| (3013) | Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} | | <input type="checkbox"/> (Yes/No) |
| (3014) | If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: | | <input type="checkbox"/> |
| (3015) | Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) | | <input type="checkbox"/> |
| (3016) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows | | <input type="checkbox"/> |
| (3017) | If the response is yes on line 3014, attach your company's RUS annual report and all required documentation | Name of Attached Document Listing Required Information | <input checked="" type="checkbox"/> (Yes/No) |
| (3018) | If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains : | | <input checked="" type="checkbox"/> |
| (3019) | Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications | | <input checked="" type="checkbox"/> |
| (3020) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows | | <input checked="" type="checkbox"/> |
| (3021) | Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications | | <input type="checkbox"/> |
| (3022) | Borrowers, | | <input type="checkbox"/> |
| (3023) | Underlying information subjected to a review by an independent certified public accountant | | <input type="checkbox"/> |
| (3024) | Underlying information subjected to an officer certification. | | <input type="checkbox"/> |
| (3025) | PDF of Balance Sheet, Income Statement and Statement of Cash Flows | | <input type="checkbox"/> |
| (3026) | Attach the worksheet listing required information | Name of Attached Document Listing Required Information | 150112ny3018 |

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

| | | |
|-------|---|------------------------------|
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| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

| Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients | |
|---|--------------------------------|
| I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. | |
| Name of Reporting Carrier: | |
| Signature of Authorized Officer: | Date |
| Printed name of Authorized Officer: | |
| Title or position of Authorized Officer: | |
| Telephone number of Authorized Officer: | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

| | | |
|-------|---|------------------------------|
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| <030> | Contact Name - Person USAC should contact regarding this data | Dave Waters |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 518-374-2552 |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
|--|--|
| I certify that (Name of Agent) <u>Marion Peisher</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate. | |
| Name of Authorized Agent: | Marion Peisher |
| Name of Reporting Carrier: | ONTARIO TEL CO, INC. |
| Signature of Authorized Officer: | CERTIFIED ONLINE Date: 10/08/2013 |
| Printed name of Authorized Officer: | Marion Peisher |
| Title or position of Authorized Officer: | Controller |
| Telephone number of Authorized Officer: | 585-433-6661 |
| Study Area Code of Reporting Carrier: | 150112 Filing Due Date for this form: 10/15/2013 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
|--|--|
| I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate. | |
| Name of Reporting Carrier: | ONTARIO TEL CO, INC. |
| Name of Authorized Agent or Employee of Agent: | Dave Waters |
| Signature of Authorized Agent or Employee of Agent: | CERTIFIED ONLINE Date: 10/08/2013 |
| Printed name of Authorized Agent or Employee of Agent: | Dave Waters |
| Title or position of Authorized Agent or Employee of Agent: | Cost & Regulatory Consultant |
| Telephone number of Authorized Agent or Employee of Agent: | 518-374-2552 |
| Study Area Code of Reporting Carrier: | 150112 Filing Due Date for this form: 10/15/2013 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

Attachments

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

| | | |
|-------|---|------------------------------|
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| <015> | Study Area Name | ONTARIO TEL CO, INC. |
| <020> | Program Year | 2014 |
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| <039> | Contact Email Address - Email Address of person identified in data line <030> | davew@acm-costconsulting.com |

[illegible]

Service Quality Standards & Consumer Protection Rules Compliance
FCC Form 481, Line 510

The company complies with applicable service quality standards and consumer protections by (1) maintaining and submitting monthly trouble report data to the New York State Public Service Commission (“NYPSC”); (2) reporting major service interruptions to the NYPSC in a manner consistent with its guidelines; (3) filing local service tariffs with the NYPSC and making rate and service information available to the public upon request; (4) clearly listing all charges and credits on customers’ bills; (5) providing full and prompt investigation of, and response to, customer complaints; (6) providing access to enhanced 911 emergency report centers; (7) participating in statewide system for the hearing impaired; (8) complying with federal CPNI rules and other applicable consumer privacy protection requirements, including training of employees that have access to CPNI on the rules and procedures for protecting account information and authenticating callers; and (9) implementing procedures that are consistent with the FTC’s guidance on measures to detect/prevent identity theft (Red Flag).

The company received a commendation from the NYPSC in recognition of its high quality of telephone service in 2012.

Ontario Telephone Company, Inc.

**Functionality in Emergency Situations
FCC Form 481, Line 610**

Ontario Telephone Company's central offices are equipped with on-site battery back-up estimated to run 3-12 hours without live power. Additional on-site standby diesel generators are capable of providing standby AC power and have at least a 24-hour fuel supply. Remote electronic cabinets contain battery backup with an 8 hour estimated run time. Larger capacity cabinets (greater than 250 lines) have on-site standby generators, and all cabinets have a generator tap to provide generator capability.

Traffic between Ontario Telephone Company's central offices is carried on SONET or other similar ring technology which provides for automatic rerouting of traffic around a failed network path. Outbound trunk groups are provisioned on two disparate paths to Verizon's LATA tandem office.

Ontario Telephone Company's trunking is engineered to maintain 50-60% utilization levels during peak traffic periods, which provides enough overhead to handle spikes in traffic due to emergency situations.

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
Second Revised Page 3
Superseding First Revised Page 3

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

1. Lifeline Telephone Service Options

a. Description

1. Lifeline Discounted Service

This service provides a flat rate federal discount of \$9.25, consisting of a \$6.50 reduction of the Federal Subscriber Line Charge and a \$2.75 reduction in the monthly rate for local exchange telephone service for residential customers. Qualified customers may choose any type or grade of local telephone service, including bundled services that are normally offered by the Company.

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1 A. Additional Lifeline Discount

This service provides the discount as outlined in A.1.a.1 above and may provide an additional discount equal to the serving company's increase in residential basic local exchange service, as authorized by the NYS Department of Public Service in Case No. 07-C-0349, released March 4, 2008, whereby the NY Commission authorized certain companies to increase basic local service rates up to \$2.00 per year for 2 years. The discount can be found on Addendum 1 of the individual Company tariff for those companies offering the Additional Lifeline Discount.

Date Issued: May 30, 2012

Date Effective: July 1, 2012

Issued by: Caroline Hill, Director Tariffs

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12210

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 3.1
Superseding Original Page 3.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE

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Date Issued: May 30, 2012

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New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4
Superseding Original Page 4

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

1. Lifeline Telephone Service Options (cont'd)

b. General

Qualified customers may choose to apply the federal Lifeline credit to any of the company's local service offerings, including any local bundled service offering, basic local service, or message rate service. Message rate Lifeline service is available only where central office facilities permit.

For connection of new service, service connection charges apply unless the customer qualifies for connection assistance under the Tribal Lands Link Up program.

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Service connection charges do not apply to change existing service from:

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1. Message or flat rate services to Lifeline service.

2. Lifeline service to non-Lifeline services.

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Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

P.S.C. No. 2 - Telephone

New York State Telecommunications Association, Inc.

Section 9
First Revised Page 4.1
Superseding Original Page 4.1

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations

- a. These services are restricted to low income residential customers. To qualify for Lifeline service a customer must certify and provide documentation as income eligible. For a consumer to be eligible under the income requirements, the consumer's household income as defined in § 54.400(f) of the FCC Rules must be at or below 135% of the Federal Poverty Guidelines for a household of that size or a recipient of benefits from any one of the following Entitlement Programs: (C)
1. Medicaid; (C)
 2. Supplemental Nutrition Assistance Program (SNAP) F/K/A Food stamps;
 3. Supplemental Security Income;
 4. Federal Public Housing Assistance (Section 8);
 5. Low-Income Home Energy Assistance Program (LIHEAP);
 6. National School Lunch Program's free lunch program;
 7. Temporary Assistance for Needy Families/SafetyNet; (C)
 8. Veterans Disability Pension
 9. Veterans Surviving Spouse Pension

*Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC
Docket No. 96-45, WC Docket No. 12-23*

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New York State Telecommunications Association, Inc.

Section 9
First Revised Page 5
Superseding Original Page 5

SPECIAL EQUIPMENT, SERVICES, AND PROGRAMS

A. LIFELINE TELEPHONE SERVICE (cont'd)

2. Regulations (cont'd)

b. The Lifeline discount is effective upon receipt of a completed form of eligibility. If the form is not returned, no further action is taken by the Company to establish eligibility.

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c. The Company, in coordination with appropriate agencies and the Lifeline Customer, will require Lifeline customers to be re-certified, on an annual basis. Lifeline customers will need to certify that they continue to be eligible to receive these Lifeline benefits and that they are not receiving benefits from another company. If, a customer is identified as being ineligible, the customer will be notified that unless the information is shown to be in error, the Lifeline discount will be discontinued. The customer will be billed for discounts received for the time that they were proven to be ineligible for the service.

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3. Locality Charge Waiver

Customers receiving Lifeline Telephone Service will have applicable locality charges waived each month while they are receiving the Lifeline Assistance.

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4. Voluntary Toll Blocking (Restriction)

Customers receiving Lifeline service can voluntarily request and receive toll blocking (call restriction), third number billing/collect call restriction without a monthly charge. There will be no record order charge to add these types of restrictions (blocking).

Issued in Compliance with FCC Order in Dockets: WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23

Date Issued: March 29, 2012

Date Effective: April 29, 2012

Issued by: Robert R. Puckett, President

NYSTA, Inc., 20 Corporate Woods Boulevard, Albany, NY 12211

Company Name: Ontario Telephone Company, Inc.
Calendar Year: 2012

Lifeline Services Offered by Telephone Company

| Service Name | Non-Discounted Rate | Total Minutes Provided | Description of Additional Toll Charges (if any) | Lifeline Rate |
|---------------------------|----------------------------|-------------------------------|--|----------------------|
| Private Line 548 Exchange | \$17.15 | flat rate local | not included | \$7.45 |
| Private Line 462 Exchange | \$15.65 | flat rate local | not included | \$5.95 |

**Any bundled service that includes local telephone service is also made available to lifeline customers.
The associated price would include the same lifeline discount(s) identified above.**

ONTARIO TELEPHONE COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

BUSH & GERMAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS
901 LODI STREET
SYRACUSE, NEW YORK 13203
PHONE: (315) 424-1145
FAX: (315) 424-1457

March 29, 2013

To The Board of Directors
Ontario Telephone Company, Inc.
75 Main Street
Phelps, New York 14532

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Ontario Telephone Company, Inc., which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of income and comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ontario Telephone Company, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Bush & Derrain PC

BALANCE SHEETSDECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|-------------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| Cash | \$ 137,939 | \$ 117,785 |
| Telecommunications accounts receivable | 63,643 | 67,859 |
| Other accounts receivable | 695,722 | 553,515 |
| Accounts receivable - affiliate | 2,965,733 | 3,074,891 |
| Marketable securities | 998,584 | 968,943 |
| Materials and supplies | 234,789 | 244,624 |
| Prepaid expenses | 112,191 | 113,182 |
| Cash surrender value of officers life insurance | | |
| Net of policy loans of \$5,341 | <u>969,123</u> | <u>913,989</u> |
| | <u>6,177,724</u> | <u>6,054,788</u> |
| NONCURRENT ASSETS: | | |
| Investments | 196,085 | 147,603 |
| Unamortized debt issuance expense | <u>-</u> | <u>1,200</u> |
| | <u>196,085</u> | <u>148,803</u> |
| TELEPHONE PLANT - AT COST: | | |
| Telephone plant in service | 12,759,106 | 12,924,823 |
| Telephone plant under construction | <u>80,942</u> | <u>22,936</u> |
| | 12,840,048 | 12,947,759 |
| Less: Depreciation reserve | <u>5,838,829</u> | <u>5,747,842</u> |
| | <u>7,001,219</u> | <u>7,199,917</u> |
| TOTAL ASSETS | <u>\$13,375,028</u> | <u>\$13,403,508</u> |

The accompanying notes are an integral part of the financial statements.

BALANCE SHEETSDECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|-------------------------|
| <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 251,614 | \$ 79,963 |
| Current maturities - long term debt | 200,594 | 267,759 |
| Other accrued taxes | 73,983 | 73,328 |
| Accrued interest | 7,124 | 14,207 |
| Accrued dividends | - | 30,585 |
| Accrued pension | 30,157 | 44,884 |
| Deferred compensation | 23,192 | 23,192 |
| Advance billing and payments | 26,347 | 26,347 |
| Other current liabilities | <u>131,556</u> | <u>95,664</u> |
| | <u>744,567</u> | <u>655,929</u> |
| LONG-TERM DEBT | <u>459,291</u> | <u>694,867</u> |
| DEFERRED CREDITS AND OTHER LIABILITIES: | | |
| Deferred federal income tax | 1,304,734 | 1,310,456 |
| Deferred credits | 361,526 | 318,247 |
| Postretirement benefits | 370,308 | 334,447 |
| Deferred compensation | 352,343 | 333,546 |
| Advance billing and payments | <u>416,228</u> | <u>442,575</u> |
| | <u>2,805,139</u> | <u>2,739,271</u> |
| STOCKHOLDERS' EQUITY: | | |
| Common stock - \$.50 par value; | | |
| Authorized 300,000 shares; | | |
| Issued and outstanding: 230,000 shares | 115,000 | 115,000 |
| Paid-in capital | 184,067 | 158,097 |
| Accumulated other comprehensive income | 112,351 | 110,419 |
| Retained earnings | 10,585,240 | 10,586,859 |
| Unearned ESOP shares | (511,873) | (600,332) |
| Treasury stock (30,499 and 28,784 shares at cost) | <u>(1,118,754)</u> | <u>(1,056,602)</u> |
| | <u>9,366,031</u> | <u>9,313,441</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$13,375,028</u> | <u>\$13,403,508</u> |

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|--|------------------|-------------------|
| OPERATING REVENUES: | | |
| Local network service | \$ 647,669 | \$ 648,938 |
| Network access and long distance network service | 2,320,375 | 2,474,188 |
| Miscellaneous | 477,210 | 497,142 |
| Less: Uncollectible operating revenues | <u>(5,492)</u> | <u>(10,137)</u> |
| Total operating revenues | <u>3,439,762</u> | <u>3,610,131</u> |
| OPERATING EXPENSES: | | |
| Plant specific | 851,738 | 792,590 |
| Plant nonspecific: | | |
| Depreciation | 594,276 | 601,433 |
| Other | 584,557 | 476,414 |
| Customer operations | 371,967 | 421,756 |
| Corporate operations | 929,747 | 886,579 |
| Other operating taxes | <u>157,819</u> | <u>162,478</u> |
| Total operating expenses | <u>3,490,104</u> | <u>3,341,250</u> |
| Net operating income (loss) | (50,342) | 268,881 |
| OTHER INCOME AND (EXPENSE) - NET | <u>91,079</u> | <u>8,166</u> |
| Income (loss) before provision for income taxes | 40,737 | 277,047 |
| FEDERAL INCOME TAX (EXPENSE) BENEFIT | <u>6,717</u> | <u>(85,616)</u> |
| NET INCOME (LOSS) | <u>47,454</u> | <u>191,431</u> |
| OTHER COMPREHENSIVE INCOME, NET OF TAX: | | |
| Unrealized holding gains arising during the year, net of reclassification adjustment | 46,687 | (46,795) |
| Post retirement benefit obligation, net of amortization | <u>(44,755)</u> | <u>7,641</u> |
| OTHER COMPREHENSIVE INCOME (LOSS) | <u>1,932</u> | <u>(39,154)</u> |
| TOTAL COMPREHENSIVE INCOME | <u>\$ 49,386</u> | <u>\$ 152,277</u> |

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWSFOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 47,454 | \$ 191,431 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 595,476 | 602,633 |
| Deferred income tax | (6,717) | 85,616 |
| Cash value of officers life insurance | (26,376) | 244 |
| (Income) Loss from 50% owned subsidiaries | (48,482) | (16,588) |
| (Income) Loss from partnerships | - | 1,186 |
| (Gain) Loss on sale of investments | (47,484) | (38,414) |
| Non cash ESOP satisfaction of liabilities | 94,404 | 95,782 |
| Non cash stock option charges | 20,025 | 16,606 |
| Change in assets and liabilities: | | |
| (Increase) Decrease in accounts receivable and other account receivable | (137,991) | (108,807) |
| (Increase) Decrease in prepaid expenses | 991 | (30,354) |
| (Increase) Decrease in due from affiliate | 109,158 | (764,555) |
| Increase (Decrease) in accounts payable | 171,651 | (4,859) |
| Increase (Decrease) in accrued expenses | (51,740) | (4,064) |
| Increase (Decrease) in advance billings | (26,347) | (26,348) |
| Increase (Decrease) in other liabilities | 35,892 | (5,894) |
| Increase (Decrease) in deferred compensation | 18,797 | 13,242 |
| Increase (Decrease) in post retirement benefits | (31,950) | (31,605) |
| Increase (Decrease) in deferred credits | 43,279 | 83,180 |
| Net cash provided by operating activities | <u>760,040</u> | <u>58,432</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (395,578) | (159,292) |
| (Increase) Decrease in materials and supplies | 9,835 | 42,769 |
| Reinvestment and new funds in investments | (793,489) | (983,478) |
| Proceeds from sale of securities | 882,070 | 1,050,300 |
| Premium paid for life insurance | (28,758) | (30,159) |
| Net cash used in investing activities | <u>(325,920)</u> | <u>(79,860)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Payments of long-term debt and ESOP repurchases | (364,893) | (239,413) |
| Dividends paid | (49,073) | (43,928) |
| Net cash used by financing activities | <u>(413,966)</u> | <u>(283,341)</u> |
| Increase (Decrease) in cash and cash equivalents | 20,154 | (304,769) |
| Cash and cash equivalents at beginning of year | <u>117,785</u> | <u>422,554</u> |
| Cash and cash equivalents at end of year | <u>\$ 137,939</u> | <u>\$ 117,785</u> |

The accompanying notes are an integral part of the financial statements.